

R.J. REYNOLDS

TOBACCO COMPANY

Marty Washburn

National Account Manager-Wal*Mart

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2910 1/2 Rogers Avenue
Ft. Smith, AR 72901
1-501-784-9595 (Phone)
1-501-784-9605 (Fax)

To: All Region Operation Managers
All Retail Managers
All Division Managers

Please copy to all sales personnel calling on Wal*Mart & Supercenter stores

Subject: October 5-pack promotion

Ladies & Gentlemen:

The final wave of 5-pack promotion started shipping this week to all Wal*Mart and Supercenter stores. Due to the fact only 700 stores have installed the endcap promotional unit, merchandising and visibility has been limited and sales below expectations on this promotion.

We need to use our ingenuity at store level to ensure we get the promotion communicated and visible to Wal*Mart shoppers. The pricing equates to \$.25 off a pack which is more than our upcoming buydown rate of \$2.00 off a carton, \$.20 off a pack on the same brand styles. We can leverage this.

Price communication and display are key. Some RJR divisions have sold "MFD's" to display, others are using the sidekick units available at the stores (Clip-on to checkout ends), and others have sold using free shelf space adjacent to the cigarette run.

Bottomline line is it is to our mutual advantage to get the product sold through at retail. With the holidays coming up this is a good time to get this "Deal" in front of the price conscious shopper.

Please communicate any creative ideas you or your people come up with so the learning can be shared. Thanks for your support.

Marty Washburn

CC: RSM'S. AVP'S. MAGUIRE.FIORI

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